

NOTICE OF WORK SESSION

Notice is hereby given that the Las Cruces City Council will hold a Work Session on Monday, August 27, 1990 at 7:00 p.m., City Council Chambers, City Hall.

The following items will be discussed:

- 1. Presentation by Rio Grande Council of Governments.
- 2. Acquisition of Botsford Building.
- 3. Armory Property Exchange.
- 4. Other Items of Interest.

Karen Stevens City Clerk

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WORK SESSION SUMMARY & DIRECTION SHEET Date: 8/28/90 Meeting: August 27, 1990 The following is a brief summary of the Agenda items discussed at the Work Session, with appropriate direction given to the responsible staff person by the City Council. The required follow-up actions are to be taken by those responsible officials.

A Work Session of the City Council of the City of Las Cruces, New Mexico, was held on Monday, August 27, 1990 at 7:00 p.m., City Council Chambers, City Hall.

Councillor Ferralez Those Present:

Councillor Kennon Councillor Hudson Councillor Tomlin Councillor Benavidez Councillor Haltom

Councillor Valencia Those Absent:

City Manager, Bruno Zaldo City Clerk, Karen Stevens Members of the Staff Others Present:

Mayor Tomlin called the meeting to order and stated that there are three (3) items for discussion tonight.

Presentation by Rio Grande Council of Governments.

Mr. Justin Ormsby addressed the Council on behalf of the Rio Grande Council of Governments. He said his purpose here is to discuss the activities of the Rio Grande Council of Government and again solicit the full participation of the City of Las Cruces in the Council. He is hopeful that the City will assume its position as a major municipality within the region.

Mr. Ormsby listed the primary functions of the Council of Governments as 1.) Planning and Development activities; 2.) Resource for technical assistance for its members; and 3.) Serve as designated clearinghouse for federal funds in the region. Mr. Ormsby furnished the Council with copies of their operating budget for this fiscal year.

Mr. Ormsby pointed out the four (4) divisions of the RGCOG. They are: 1.) Administration; 2.) Community Services, which includes the day to day operation of the RGCOG; 3.) Area Agency on Aging for the region; and Special Projects Division.

Mr. Ormsby stated that the City of Las Cruces' participation would help in the Corridor Project. It would provide an understanding of what is happening, identify trends and point out areas where the municipalities could work together. Las Cruces' participation would guarantee it a seat on the Board of Directors.

This portion of the meeting was opened up for questions.

Councillor Haltom asked what the RGCOG can do for the City of Las Cruces that the South Central Council of Governments cannot do. Mr. Ormsby responded that the RGCOG works with the SCCOG. It is not an either/or situation. The more representation the City has the better. The more resources the better.

Councillor Haltom asked if they were the channel for federal grants. Mr. Ormsby replied that it is a function of what they provide.

Councillor Haltom asked what services the RGCOG provides for the City of El Paso. Mr. Ormsby said they provide many services, especially in the area of senior citizen programs.

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Councillor Haltom raised the issue of the primary benefit of these organizations is to smaller municipalities. Mr. Ormsby said that can be true, but services are also provided to the larger cities. He pointed out the areas served in the City of El Paso.

Councillor Haltom asked what will be the relationship between the two COGs in the Corridor Project. Mr. Ormsby said there will be a full partnership between the two in the project.

Councillor Ferralez raised the issue of the RGCOG maybe favoring the Texas communities and not New Mexico, especially Las Cruces. Mr. Ormsby said their responsibility is to promote the region and provide support to all agencies throughout the region.

Councillor Hudson asked if they have a dollar benefit to the members they serve. Mr. Ormsby said they can provide these figures, but that is not the primary reason for their existence. Their primary goal is to work with the muncipalities and provide service.

Councillor Hudson asked for the overall economic impact and Mr. Ormsby responded. Councillor Hudson asked what it would cost to join. Mr. Ormsby said approximately \$1,500.

Councillor Kennon said he has attended several meetings, along with Councillor Benavidez and has become aware that El Paso and Las Cruces are sort of isolated. We are really becoming a metropolitan area. It is time to forget about state borders and he sees this organization as an avenue to accomplish this.

Tamie Smith asked what is the background of their staff of 25. Mr. Ormsby said they represent a variety of fields. This information can be provided individually. Their staff is versatile and flexible.

Reed Larsen asked what is the size and composition of their Board of Directors. Mr. Ormsby provided this inforamtion.

Mr. Ormsby thanked the Council for again letting him make his presentation and said he will probably be back.

2. Botsford Building Acquisition.

Mr. Zaldo gave the Council a brief overview of this property. He said we entered into a lease agreement with the Botsfords in November, 1988. He gave the terms of the lease agreement and the amount of money, \$70,000, that the City had to invest to bring the building up to our specifications and needs. Since we entered into the lease agreement, there has been a significant increase in the work load. Staff has been added and we have outgrown this present facility.

Mr. Zaldo pointed out that there are three options open to the Council. 1.) They can lease additional space at this location; 2.) They can purchase the building. 3.) They can look at another space in the Downtown Mall. Mr. Zaldo introduced Barbara Willis, Acting Finance Director, to make the presentation.

Ms. Willis showed the Council the increase in the number of arraignments and citations and explained how these increases have impacted on the current situation. She said there are safety problems as well as efficiency problems. There is a need for an additional Judge and they have to pay off-duty officers overtime for the time they spend in Municipal Court on their days off. On-duty officers are also spending time in Court, which takes them away from their normal patrols.

Ms. Willis pointed out that the Botsford Building has been appraised at \$250,000 and this appraisal was done in May, 1990. She explained the proposed floor plan, if purchased, and gave the benefits.

Ms. Willis said the Botsfords have agreed to lease the City additional space if the building is not purchased. The lease agreement would provide for \$11.76 per square foot, which would include janitorial services. The City would, however, be denied ingress/egress from Water Street, which

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the City currently enjoys and which they deem essential for security purposes. The City would also no longer have access to the basement, which is now used for storage.

Ms. Willis pointed out that there are other buildings available. She said she has been in contact with Edgar Lopez who handles the majority of the property on the Downtown Mall. The primary building they are looking at is the old United Fashion, Zales, Family Outlet Building. Ms. Willis gave some figures on acquisition of these buildings, with several options.

Councillor Kennon asked if the Botsford Building is basically sound structurally. Mr. Zaldo said that the City examined it extensively before leasing it and that it is structurally sound.

Councillor Ferralez asked what is the rent figure for a year. Ms. Willis said approximately \$9,700 per year. There is a provision in the lease agreement that the rent can be increased at every negotiating point. Discussion followed. Richard Hodgin, Property Manager, gave the approximate costs for converting the additional space to our needs. It is approximately \$4,000.

Councillor Ferralez asked if we shouldn't wait and see what kind of determination is made about the Judicial Complex. Ms. Willis pointed out that they are still uncertain about this project.

Mr. Zaldo said if the City agrees to buy the property, which they should because of the Water Street exit, the County has expressed an interest into renting a portion of the building from us that we have no need for at this time.

Councillor Benavidez recommended that we purchase the building. It has adequate space for future development and we cannot depend on the Judicial Complex to make our decisions. There was discussion on the square footage of the basement and whether or not it could be used for offices. There was also discussion of the age of the roof and its condition.

Councillor Haltom asked about the possibility of using the current public safety building once the new building is completed. He said he does not like this building (Botsford Building), but he thinks we should either take the whole thing or look elsewhere.

Mr. Zaldo said they had problems with overcrowding when they were housed in the Public Safety Building. There have been plans considered to expand this facility for additional space for the Fire Department and a training facility.

Councillor Haltom said he is hesitant to buy property with limited capabilities, such as the Botsford Building. He sees this as a stop-gap measure only. If we bought the building, we would still have to spend money to adapt it to our needs. It doesn't look like a good buy to him.

Councillor Benavidez pointed out that it would not take great expenditures to bring the building up to our needs.

Mayor Tomlin said he is also concerned about this building. He said access will be a problem even with Water Street. He suggests that we lease the whole building and then sublease the portions we do not need

Councillor Benavidez said it has never been brought out the possibility of using the old police building for this purpose. He asked why it has never been discussed before. Mayor Tomlin said we just haven't had the opportunity to discuss it before.

Councillor Ferralez said we need to give the staff some direction. He suggests that staff look at leasing the entire building, with emphasis on adequate parking and also potential revenue from subleasing. He

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said he does not like this building either, but thinks that this is the best route for the time being.

Councillor Kennon said he agrees with Councillor Haltom. This is not an aesthetic building and is not suitable for a Court. He does not, however, see any way out. He lends his support for doing something now. We already have \$70,000 invested in this building. We should either purchase the building or lease the whole thing. He likes the idea of staff making a report.

Mr. Zaldo said it would take approximately \$125,000 to renovate the existing police building for a court. He said staff will negotiate for a lease of the entire building, preferably a 3 year lease, and then explore the use of the existing building.

Councillor Haltom said he would prefer leasing rather than purchase. If we don't use the existing police building, we should look at building a suitable building.

Mayor Tomlin said if we lease the entire building, we should look at minimal capital improvements. We should also look at the area we want to lease out.

Councillor Hudson agreed. Sublease, looking at impact of remodeling needs.

The concensus of the Council on this item was to pursue leasing the entire building and come up with an analysis of future uses of the existing police building.

3. Armory Property Exchange.

Mr. Zaldo explained that when the National Guard was ready to vacate their current location for their new location on the West Mesa, there was sort of an agreement that the City would have the right of first refusal on the property on the corner of Solano and Hadley. The State Armory Board is interested in working out a deal with the City. One suggestion was to trade the Solano/Hadley property for the money owed on the West Mesa property and some other suggestions.

Staff is asking if the Council is interested in expanding to the property on Hadley/Solano. Staff is recommending swapping the land on Walnut and the West Mesa for the Solano/Hadley property with some type of cash adjustment.

Richard Hodgin, Risk Manager for the City, made a presentation on the Solano/Hadley property. He said it is 7.54 acres and has three buildings on the property. He mentioned underground storage tanks that are in the process of being removed. They do not meet EPA standards.

Councillor Ferralez asked what is the depth of the property back to the chain link fence. Mr. Hodgin responded about 150 feet.

Councillor Ferralez said he likes this property. He suggests that we leave the 150 foot frontage on Solano and sell to private developers and then keep the rest of the property.

Discussion followed on the condition of the Armory Building, the date of the last appraisal (5/30/90) and the difference in the amounts of the appraisals.

Councillor Haltom said there is an obvious need for expansion, but he would request that we not use any federal funds to purchase the property. That could limit our uses later on. He is in favor of staff negotiating for this property. He agrees with Councillor Ferralez that we should sell the frontage property.

Councillor Benavidez asked about the Walnut property. Mr. Zaldo said staff is recommending trading Walnut and the West Mesa property for the Solano/Hadley property with a cash adjustment.

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Mr. Zaldo said some monies have already been set aside for this purpose.

Councillor Hudson raised the issue of parking needs at the building on Walnut and suggested maybe discussing more land on the West Mesa. Discussion followed.

The Council agreed to authorize staff to continue to negotiate on the acquisition of the Solano/Hadley property.

Other Items of Interest.

Councillor Haltom raised the issue of the front of the building where the new addition is being built. He said the front, as it is, is not attractive and he would like the situation to be looked at and maybe an alternative be put in place.

There was considerable discussion on this item. Councillor Hudson said that he and Mr. Zaldo had inspected the addition early on and he questioned whether or not it was being adequately inspected for codes compliance. Mr. Zaldo assurred the Council that since his tour with Councillor Hudson, staff has done some checking and things are being done according to specifications and codes.

The Council agreed that the glass on the front should go all the way to the floor and staff was so directed.

Councillor Benavidez moved to adjourn the meeting at 9:05 p.m.

Karen Stevens City Clerk

INTER-DEPARTMENTAL MEMORANDUM

ТО	City Council	
FROM	Bruno Zaldo, City Manager	
SUBJECT		FILE NO.
	Agenda, Monday, August 27	DATE 08/24/90

We have three items scheduled for Monday night's work session. Backup information is provided on all three items.

- 1. PRESENTATION BY RIO GRANDE COUNCIL COUNCIL OF GOVERNMENTS. Mr. Justin Ormsby, Executive Director, requested that the City join the RGCOG. An informal poll of the Council indicated that they should be scheduled for a work session.
- 2. <u>ACQUISITION OF BOTSFORD BUILDING.</u> City staff is interested in purchase of this building to acquire additional space for the Municipal Court. An informal poll of the Council indicated that this should be scheduled for a work session.
- 3. ARMORY PROPERTY EXCHANGE. We entered into our agreement with the State Armory Board for land on the West Mesa Industrial Park contemplating a property exchange based on the value of the 43 acres at the Industrial Park in exchange for the Armory property on Solano and Hadley. Since then, we have found that the Board is possibly interested in acquiring our interest in the Armory on Walnut. It's possible that we may be able to give them those two properties and some cash to acquire the property on Solano. At this time I have not received all responses to my Council poll on this item, but indications are that a work session is in order.

Bruno-Zaldo



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Topic:
z vpw.

Membership in Rio Grande Council of Governments

Date Due:

June 18, 1990

Responses Received:

Herculano -	
Gene - Agree 6/11/90	
Ron - Need More Information 6/10/90	
Jack - Disagree 6/12/90	
Tommy - Disagree 6/08/90	
Henry - See Comments 6/08/90	
John - Prefer a Work Session	

Comments/Questions:

Gene - Relates to Santa Theresa development and the Regional Planning Concept for the El Paso and Las Cruces areas.

Henry - I would welcome the RG COG be sent a reply to their letter to CLC dated March 26, 1990. I don't remember having seen a reply. Also I would like for the RG COG to address CLC CC sometime soon. I think we should provide them (RG COG) that courtesy at this time.

Tommy - What is involved in the I-10 Urban Corridor Project - Can't we join for something as specific without being a member? Surely they'll need to include us in such a project.

John - Not sure of its full implication re separate SMSA's and our relationship with the state.

Action Taken:

As the Council did not reach a consensus, but had several and varied questions, I think it appropriate to ask RG COG to attend an upcoming work session for discussion purposes. I will notify them.

Bruno Zaldo

Acting City Manager



of cc

March 26, 1990

Honorable Tommy Tomlin Mayor City of Las Cruces P. O. Drawer CLC Las Cruces, NM 88004

Dear Mayor Tomlin:

In September of 1987 the Rio Grande Council of Governments (RGCOG) changed its name and its bylaws and invited Dona Ana County, New Mexico to become a full member of this organization. This change and invitation was accomplished in recognition of the need for more effective and cooperative intergovernmental communications within this economic region.

As a consequence of the membership by Dona Ana County the municipalities within the County are also eligible for membership. At present Sunland Park, Mesilla and Hatch all participate in this Regional Council.

On behalf of the Board of Directors of the RGCOG I would like to extend to the City of Las Cruces a formal invitation to join with us as we all strive to make West Texas and Southern New Mexico a better place to live, work and play.

The participation of the City of Las Cruces would contribute significantly to our Regional efforts, especially as we embark on our I-10 Urban Corridor planning development project.

We would be happy to provide any additional information on the RGCOG or address your Council at any time.

We look forward to work with you and your city and we hope that you will accept our invitation to join our family of local governments.

Sincerely,

Justin R. Ormsby

Executive Director

JRO:cbc

cc: City Council of Las Cruces

CITY COUNCIL RESPONSES RECEIVED

Jegal rept 90

Topic:

Acquisition of Botsford Building

Date Due :

August 20, 1990

Responses Received:

Herculano - Prefer a Work Session. 8/13/90	
Gene - AGREE. 8/23/90 Pursue Purchase.	
Ron - Prefer a Work Session. 8/6/90	
Jack - Call Me On This. 8/13/90	
Tommy - Disagree. 8/7/90	
Henry - Agree. 8/7/90	
John - Prefer a Work Session. 8/10/90	

Comments/Questions:

Ron - What, if any, are other options or are there any other buildings that might be used as an annex?

Tommy - I don't like this building! I'd like to keep "investing" downtown, but what other options are there as far as downtown space is concerned? Henry - How does this price compare with previous estimate? I don't recall. If the price is the same and the money is available, I say we should purchase the property. It is needed. I know 'cause I've been there!

John - We should discuss this in a public meeting before we make a decision.

Action Taken:

Have tentatively scheduled for 8/27 work session contingent upon Mayor's approval.

Bruno Zaldo City Manager



Bruno Zaldo City Manager City of Las Cruces



August 17, 1990

Ref: Municipal Court Lease

Dear Bruno,

As per our phone conversation Tuesday, we have reviewed the potential scenario of leasing the City approximately 1,120 square feet of additional space to the rear of our office directly adjacent to the Municipal Court. Although we are reluctant to do that, we would do so under the following conditions:

- 1. The lease of the 1,120 sq. ft. would be for three (3) years at a rate of \$1,100.00 monthly and include janitorial service for the existing lease as well.
- 2. The City would vacate use of the basement presently in use for storage.
- 3. The hall giving access to the court from Water Street would be closed by us and its area incorporated into our office(construction by us). The court would not have access to Water Street through the building.
- 4. We would provide the City an empty finished shell with existing electrical outlets and lighting retied to the existing City boxes and the air conditioning/heating retied to the existing court facility. Seven or eight phone jacks also exist and should be usable in the City system.
- 5. We would continue to provide water, sewer and trash collection as we now do with the existing lease.

If you have any questions or need more information, please don't hesitate to call either Jeanne or me at our office.

Sincerely,

Jeanne & Jim Botsf

JJB/vm

BOTSFORD LAND SURVEYING INC.

INTER-DEPARTMENTAL MEMORANDUM

TO	City Council	
FROM	Bruno Zaldo, City Manager	
SUBJECT	Acquisition of Botsford Building, 212 S. Downtown Mall	FILE NO.
	Acquisition of Botsford Building, 212 3. Downtown Wan	DATS/06/90

At Council's request, I have obtained additional information regarding the possible acquisition of the Botsford Building, 212 S. Downtown Mall, for additional space for the Municipal Court. I have attached a copy of a memo from Barbara Willis which outlines the need for more space and also indicates that a portion of the property could be leased until such time as all of the space is required. A copy of the floor plans is in Diana's office should you wish to review it.

Please let me know if you want us to pursue acquisition.

Bruno Zaldo

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Attachments.

INTER-DEPARTMENTAL MEMORANDUM

TO BRUNO ZALDO, CITY MANAGER	
FROMBARA E. WILLIS, ACTING FINANCE DIRECTOR/0210	
SUBJECT	FILE NO.
Municipal Court Additional Space Needs	DATE 08/03/90

The Municipal Court is currently occupying 2430 sq. ft. of the building located as 212 South Downtown Mall. If the building is purchased, or if additional space is rented, a minimum of 1200 sq. ft. of space is needed. Approximately 700 sq. ft. for an additional courtroom/classroom and 500 sq. ft. for office space.

The number of arraignments has increased from 7,756 in FY 88/89 to 15,152 in FY 89/90 which represents a 95 percent increase. Trials have been increased approximately 54 percent during the same period from 1248 in FY 88/89 to 1,920 in FY 89/90. If arraignments are still in process when it is time for court to begin, the halls and courtroom both become very crowded.

The substitute judge has occasionally been requested to conduct arraignments if they cannot be completed by the time for court to begin. The substitute judge then uses the Court Administrator's office for the arraignments.

Because the court uses a "trailing docket" all persons for each case must be in the court at the beginning of the session and wait until his or her case is heard before leaving. Approximately 65-75 people attend each court session. The number of court sessions was expanded from Tuesday - Thursday to Monday - Friday during July. An additional courtroom and another part-time judge will probably be needed before the end of FY 90/91.

Part of the additional space is needed for offices. There is no location for the lawyers involved in the trials to meet with clients or the City Attorney. They either take over one of the employees offices or meet with clients outside on the mall. If the waiting area is full, there is no location where police officers may wait to be called for a trial other than the break room or the employees offices.

The City Council authorized the hiring of a Court Support Coordinator during FY 89/90 to perform evaluations, make referrals, and teach classes. The classes for first-time offender shoplifting are taught in the courtroom if it is not in use or at the library. Some of the classes are held in the evening. The additional courtroom area can be used for a classroom until such time as it is needed for a second courtroom.

The Municipal Court personnel have been allowed by the current owners to use the Water Street entrance for evening classes and have allowed police officers to bring prisoners in the back entrance for security reasons. If the building is sold to someone other than the City, arrangements to continue using the back entrance would need to be made.

BRUNO ZALDO, CITY MANAGER 08/03/90 Page 2

If additional space for the Municipal Court is obtained, the over crowding problem will be eliminated and the employees working at the Municipal court will be able to perform assigned duties with fewer interruptions.

This morning I received a copy of the floor plan which I had requested. It shows remaining office space of 2299 sq. ft. After reviewing the plan, if the area listed is open office area of 958 sq. ft. and the 20.6 x 15.10 office were to be utilized by the Municipal Court, the additional lease amount would be \$10,288 instead of \$9,600 mentioned in my memo dated 06/04/90; bringing the total cost per year to \$20,008.

If the City purchases the building, instead of 1400 sq. ft. available to be rented, there would be approximately 1013 sq. ft. which would generate between \$8,104 to \$12,156 of income per year. The total savings/income per year would be \$28,112 to \$32,164. The percentage return would then average between 11.2 percent and 12.9 percent.

If additional information is needed, please let me know.

BARBARA E. WILLIS

Acting Director of Finance

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May 25, 1990

Richard Hodgin, Risk Manager City of Las Cruces P.O. Drawer CLC Las Cruces, NM 88004

Re: Appraisal #C6225

Dear Mr. Hodgin:

An appraisal has been prepared of the Market Value of the real estate located at 212 S. Downtown Mall, Las Cruces, New Mexico.

Based on the data and conclusions in this report, the estimate of Market Value for the subject property, as of May 25, 1990, is in the amount of:

TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS

(\$250,000.00)

A description of the property appraised, together with explanations of appraisal procedures used, are contained in the body of this report consisting of pages fifty five.

The opinion of value expressed in this appraisal is contingent upon the "Underlying Assumptions and Limiting Conditions", as set forth in the addenda to this report.

Respectfully, MENAUGH APPRAISAL SERVICE A Division of Menaugh, Inc.

Joe G. Menaugh, SRPA

/dlm

CITY COUNCIL RESPONSES RECEIVED

of colours

Topic:

Acquisition of Botsford Building

Date Due :

April 9, 1990

Responses Received:

Herculano - Disagree 4/5/90	
Gene - Pursue Purchase 4/3/90	
Ron - Disagree 4/2/90	
Jack - Tentatively Agree 4/3/90	
Tommy - Prefer Work Session 4/2/90	
Henry - Need More Information 4/2/90	
John - Need More Information 4/2/90	

Comments/Questions:

Gene - I would like to see our City continue to purchase property in the Mall and continue the trend toward government, civic and professional offices for that area.

Jack - Get appraisal first, and we can make decision.

John - What is the total size of the lot? The building? Where does the money come from? I want to take a look at the building.

Action Taken:

Have instructed Richard Hodgin to provide more information.

Bruno Zaldo

Acting City Manager

CITY COUNCIL RESPONSES RECEIVED

Topic:
Armory Property Exchange
Date Due :
August 27, 1990
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Responses Received:
Herculano -
Gene -
Ron - Need More Information. 8/19/90
Jack -
Tommy - Agree. 8/17/90 Henry - Prefer a Work Session. 8/20/90
Henry - Prefer a Work Session. 8/20/90 John - Prefer a Work Session. 8/20/90
John - Fieler a Work Session. 8/20/90
Comments/Questions:
Ron - I don't know when the appraisals were done but the 5 acre Armory
property west of the new Smith Store would surely have changed value
recently. I would recommend not making a mad rush to acquire property
for an expanded bus program or offices. Tommy - Keep Council informed!
Henry - This transaction is big and important enough to have a work
session on.
John - Before we pursue this, we should discuss the implications in an open
meeting.
Action Taken:
Bruno Zaldo
City Manager

INTER-DEPARTMENTAL MEMORANDUM

ТО	Bruno Zaldo, City Manager	
FROM	Richard D. Hodgin, Risk Manager/0666 🏳 🖟	
SUBJECT		FILE NO.
	Solano Armory Property	DATE Ø8-24-9Ø

The City of Las Cruces has an opportunity to acquire the New Mexico National Guard property located at the corner of Solano and Hadley, since the Armory property has been be declared surplus by the New Mexico State Armory Board. The lot is approximately 7-1/2 acres, with 600 feet of frontage on Solano 550 feet of frontage on Hadley, and is zoned C-2. Approximately 5 acres on the eastern portion of the lot is enclosed by a chain link fence. There are 3 buildings on the The largest is 75 feet by 128 feet, with the entrance from Solano Avenue. This building is constructed of concrete block, with a concrete floor and a metal roof. It has no insulation, evaporative coolers and gas heat. Approximately 12 feet across the entire south side and 24 feet across the entire north side of the interior are partitioned off for offices and restrooms. To the east of the main building, and within the fenced area, is a 56 foot by 100 foot metal utility maintenance building, with a concrete floor and a metal roof. This building is not insulated, has gas heat and evaporative coolers, and has 5 overhead doors facing to the south for access to the interior service bays. There is also a 9 foot by 11 foot concrete block storage building, with a concrete floor and built-up roof. It has no insulation, no heat and no cooling.

There are two fuel dispensing pumps located on the property and I am awaiting confirmation from the State Armory Board as to whether those are functional and, if so, the size of the underground fuel storage tank servicing them.

I will have an overhead projection showing the layout of the property, as well as its relationship to the existing City facilities to the east, for discussion at the work session on Monday, August 27, 1990. In the meantime, if you have any further questions concerning this matter, please feel free to let me know.

INTER-DEPARTMENTAL MEMORANDUM

ТО	City Council	
FROM	Bruno Zaldo, City Manager	
SUBJECT	_	FILE NO.
	Armory Property Exchange	DATE 08/17/90

Attached is a memorandum from Richard Hodgin regarding a possible Armory property exchange. Basically, the recommendation is to offer the Armory Board \$250,000 and both the West Mesa and Walnut properties in exchange for the Solano property.

Should the Solano frontage be utilized for Transit operations, there is the possibility of some federal funding for the purchase. This would help to recover some of the outlay and would keep the land adjoining the Service Center available for the City.

Please let me know if you wish us to pursue this.

Bruno Zaldo

di

c: Richard Hodgin
Ray Peterson

INTER-DEPARTMENTAL MEMORA

CITY OF LAS CRUC

Bruno Zaldo, City Manager

FROM Richard D. Hodgin, Risk Manager/0666

SUBJECT

Armory Property Exchange

DATE Ø8-13-9Ø

I have reviewed the various documents executed by the City and the New Mexico State Armory Board contemplating the transfer of title to the Solano Armory property to the City in exchange for the title to the 43 acres on the West Mesa Industrial Park, currently under lease by the State Armory Board. memorandum of understanding executed by the City and and the State Armory Board concerning this exchange provides that the City shall pay the appraised market value for the Solano Armory property, offset by the appraised value of the West Mesa property (which shall include the cost of all City-provided enhancements) with such equalizing payment to be made on such terms as the party may negotiate at that time. The memorandum further provides that should the City decide against acquiring the Solano property, the State Armory Board may seek other disposition of that property and may acquire fee simple title to the leased premises on the West Mesa at the fair market value. As you are aware, Lt. Col. Cecil Lynn has indicated that the State Armory Board is interested in maintaining the Armory property on Walnut, which is located on a 5-acre tract of land leased from the City under a 99-year lease with a total rental payment of \$1.00. He indicated that the State Armory Board might consider accepting the transfer of title to that 5to the State Armory Board as part of the tract consideration for the sale to the City of the Solano Armory property.

The State Armory Board has had appraisals prepared of all 3 properties and, at your direction, I have had appraisals prepared for all 3 properties. A summary of those appraisals is as follows:

Property	State Appraisal	<u>City Appraisal</u>
Solano Armory	\$ 1,168,000	\$ 1,000,000
Walnut Street Propert	y 430,000	397,000
West Mesa	213,600	322,500

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As you can see, the State appraisals give a total value to the City property proposed to be exchanged of \$643,600, while the City appraisals give a total value of those two parcels of \$719,500. The difference between the appraised value of the Solano Armory property and the two City-owned parcels under the State appraisals is \$524,400 (which would be the amount of payment the City would be required to make to complete this transaction) and the difference under the City appraisals is \$280,500.

I do not know how motivated the State Armory Board is, at this particular time, to dispose of the Solano property. The Walnut land lease is costing the Armory Board nothing, and the West Mesa Park lease was prepaid for the first 5 years, at \$1.00 per acre per year. The rental payments under the Industrial Park lease increase on July 1, 1991, to \$12,900 per year, or \$300 per acre per year. I believe that their greatest concern would be in disposing of the Solano Avenue property, even though it is zoned C-2, because \$1,168,000 is quite expensive for a speculative developer in an area where the nearest major retail outlet has just closed down. Additionally, their motivation is difficult to tell since we do not know what their maintenance and upkeep costs are for that facility.

I have spoken with Ray Peterson, Transit Director, who is very interested in acquiring some or all of the 7.45-acre tract for expansion of the Transit facilities. He has indicated that there will be a one-time availability of federal grant money for capital purchases, which could be used to fund up to 75 percent of the acquisition costs of any portion of that tract acquired by the City which would be used by the Transit service. He also indicates that the deadline for the grant application is December of this year.

If you have any further questions concerning this matter, please feel free to let me know.

RDH/pas

c: Robert B. Kelley, City Attorney